

# TAX INFORMATION BULLETIN



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[www.boe.ca.gov](http://www.boe.ca.gov)

## New Sales and Use Tax Rates Effective October 1, 2014

The increased tax rates listed below apply within city limits. The tax rates outside of the city limits will remain the same. If you are not sure what the correct tax rate for your area is, you can find tax rates by address by going to our website at [www.boe.ca.gov](http://www.boe.ca.gov). Under the "Popular Topics" column, select "All Sales and Use Tax Rates" and click on the link "[Find a Sales and Use Tax Rate by Address.](#)"

City	New Code	New Acronym	Old Rate	Rate Increase	New Rate
<b>City of Anderson</b> (located in Shasta County)	373	ANDG	7.500%	0.500%	8.000%
<b>City of Cotati</b> (located in Sonoma County) The 10-1-10 rate increase of 0.50% (CTGF/228) was set to expire on 9-30-15. Effective 10-1-14, it will be extended to 9-30-24 and increased 0.50% for a total of 1.00%. This increases the overall city tax rate to 9.25% and changes the reporting code and acronym.	375	COTI	8.750%	0.500%	9.250%
<b>City of Davis</b> (located in Yolo County) The 7-1-04 rate increase of 0.50% (DAGT/89) was set to expire on 12-31-16. Effective 10-1-14, it will be extended to 12-31-20 and increased 0.50% for a total of 1.00%. This increases the overall city tax rate to 8.50% and changes the reporting code and acronym.	376	DVSG	8.000%	0.500%	8.500%
<b>City of Hayward</b> (located in Alameda County)	366	HWDC	9.000%	0.500%	9.500%
<b>City of San Pablo</b> (located in Contra Costa County)	368	SPES	9.000%	0.250%	9.250%
<b>City of Watsonville</b> (located in Santa Cruz County)	372	WTPS	8.500%	0.500%	9.000%
<b>Town of Truckee</b> (located in Nevada County)	370	TTRS	8.125%	0.250%	8.375%
Current Tax Rates Extended	Code	Acronym	Rate as of 10-1-14	Old End Date	New End Date
<b>Alameda County</b>	087	ACHC	9.000%	6-30-19	6-30-34
<b>City of Cathedral City</b> (located in Riverside County)	232	CCGT	9.000%	9-30-15	Extended indefinitely
<b>City of Woodland</b> (located in Yolo County)	236	WOSF	8.250%	9-30-14	9-30-22

### How will I know when a tax rate changes?

We send notifications to retailers in and around the affected locations when a tax rate changes. Make sure your email and mailing addresses are correct on your account to ensure you receive notice when tax rate changes occur. If you have not been receiving these notifications, contact us at [www.boe.ca.gov/info/email.html](http://www.boe.ca.gov/info/email.html) to correct the current email and/or business mailing address on your account, or add a new email address. You can also sign up on our website to receive the latest news and updates from us by email. Go to the "How Do I" column, click on the "More" arrow, and select "[Sign up for BOE updates](#)" under the "Additional Information" column.

### BOARD MEMBERS

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**EXECUTIVE DIRECTOR**  
CYNTHIA BRIDGES

### How do I know if an address is within city limits?

We offer several tools on our website to help retailers identify the correct tax rate. You can look up a tax rate by address, check our guide of tax rates by city and county, or visit a city website. If after checking these sites you still have questions about a tax rate at a particular address, you should contact that city directly.

### Where can I get more information?

For more information on city and county tax rates, go to the “Popular Topics” column on our home page and select “[Latest Sales and Use Tax Rates](#).” You can also call our Customer Service Center at 1-800-400-7115 (TTY:711) where representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m. Pacific time, except state holidays.

## New OPEN BOE Data Portal on Website

The California State Board of Equalization (BOE) has launched its OPEN BOE Data Portal, accessible at [www.boe.ca.gov/dataportal](http://www.boe.ca.gov/dataportal). OPEN BOE provides a wealth of information to help researchers, tax professionals, business associations, government agencies, media, and members of the public delve deep into a variety of current and historical topics, including data on sales and use taxes, and other tax and fee programs administered by the BOE. OPEN BOE allows for “self-service” access to anyone interested in the data produced by the BOE.

OPEN BOE users can filter data and transform it into various types of easy-to-read charts, or export it for their own analysis, redistribution or republication. For example, media outlets, academic institutions, and local governments may use the portal for background, research, and planning.

In some categories, historical data dates back nearly 100 years. Location-specific information – like taxable sales broken down by city – is also available for certain data. Users can display data graphically, and choose from a number of different visualization formats, such as line, bar, and pie charts.

OPEN BOE makes BOE’s data freely available for anyone to use and is the first of its kind among California’s tax agencies. It puts the BOE on-par with modern, open-government practices. Open data is the concept that public data should be available for free in a convenient format, without further permission from the source.

The portal was built entirely by in-house BOE employees over a period of about three months.

Future features will include new data sets and visualizations, and more frequent data updates. The portal does not provide access to confidential taxpayer information.

Experience the abundance of information made available by OPEN BOE by visiting [www.boe.ca.gov/dataportal](http://www.boe.ca.gov/dataportal).

## Tax Evasion by Electronic Sales Suppression

The BOE has seen a recent increase in the number of business owners using sales suppression or sales-hiding software to evade the payment of taxes due to the state.

Sales suppression software erases sales transactions which enables users to avoid paying income tax, sales tax, and other point-of-sale (POS) fees collected on retail sales. Using such technology to deliberately falsify records for the purpose of evading taxes properly due is a crime and punishable by law.

It is also a crime for anyone to knowingly sell, purchase, install, transfer or possess sales suppression software programs or other electronic devices that are used to hide or remove sales and to falsify records for commercial gain. Violators can be sentenced up to three years in county jail, fined up to \$10,000, and required to pay all illegally-withheld taxes, including interest and penalties.

The BOE is working collaboratively with other state and federal law enforcement agencies, exchanging information and investigating underground operations. We are taking an assertive approach to identify and prosecute all cases of tax evasion, including those based on falsified POS data.

Businesses are required to maintain records as provided in [Regulation 1698](#), *Records*, so BOE representatives may:

- Verify the accuracy of sales and use tax returns; and
- Determine if the tax due has been correctly paid on sales and purchases.



The BOE is using its resources in the most effective manner possible to stop this high-tech tax evasion. If you are audited, the BOE has the ability and technology to detect unlawful sales suppression. Our auditors are making undercover merchandise purchases to determine if businesses are using sales suppression software. If the auditor detects the use of sales suppression software, the auditor may disregard your reported sales amounts and establish your actual sales using some or all of the following methods:

- Establishing sales based on credit card sales
- Accessing third party electronic sales information
- On-site observation of sales

To assist us with identifying tax evasion, please visit our website under “[Report Suspected Tax Fraud Activity](#),” where you can provide us with information on possible tax violation.

## Virtual Currency as a Payment Method

A growing number of businesses and individuals are now accepting virtual currencies (for example, Bitcoin, Litecoin, Dogecoin, or Peercoin) as a payment method for their sales of goods and services. Because this is a new type of payment system, the BOE would like to remind businesses and individuals who use virtual currencies as a payment method that sales and use tax applies to transactions in the same manner as traditional payment methods such as cash or credit card.

The Internal Revenue Service explains that virtual currencies do not have legal tender status in any jurisdiction and virtual currencies should not be treated as United States currency or foreign currency, but instead, as property. For the same reason, virtual currencies are not regarded as United States currency or foreign currency for purposes of the Sales and Use Tax Law.

A “sale” includes any transfer of title or possession, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for consideration. When a retailer accepts virtual currency in exchange for goods and services, virtual currency is the consideration. Tax applies to sales of tangible personal property in exchange for virtual currency in the same way as it does with any other sale of tangible personal property for a consideration.

The measure of tax is the total amount of the sale or lease or rental price as the case may be, valued in U.S. dollars, whether received in U.S. dollars or otherwise. The measure of tax from a barter or exchange transaction includes any amount allowed by a retailer to the customer for property or services of any kind. Therefore, when a sale is made where the consideration is virtual currency, the measure of tax from the sale of the product is the amount allowed by the retailer in exchange for the virtual currency (generally, the retailer’s advertised selling price of the product).

*Example:* A restaurant sells a taxable meal to a customer with an advertised menu price of \$50. The customer pays the restaurant 0.065 Bitcoin for the meal. The measure of tax from the sale of the meal is \$50, which is the amount allowed by the retailer for the 0.065 Bitcoin at the time of the sale. Similarly, the restaurant sells a taxable meal to a customer with the menu price of \$50. The customer pays the restaurant 1 Bitcoin for the meal. The measure of tax from the sale of the meal is still \$50. The restaurant should retain a copy of the menu in its records to document the measure of tax from its virtual currency transactions.

Retailers accepting virtual currencies as payment should retain documentation on the amount for which they regularly sell the same or similar property to their customers when payment is made in United States dollars (cash, check, credit card, or debit card).

The BOE does not accept virtual currencies as a payment method for any tax or fee program.

If you have any questions regarding this article, please visit our website at [www.boe.ca.gov](http://www.boe.ca.gov) or call our Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time) except state holidays.

## What tires are subject to the California Tire Fee?

Tires subject to the fee are new, solid or pneumatic tires—including the spare tire—included with the purchase of a new or used motor vehicle or trailer; new or used construction equipment; and, new or used farm equipment. In addition, the fee is also due on new, solid or pneumatic tires sold separately as replacement tires for use on a motor vehicle, motorized equipment, construction equipment; and farm equipment, whether the tires are installed or not installed at the time of purchase.



A “pneumatic tire” is an inflated tire, or a tire capable of inflation, with compressed air.

Retreaded, reused, or recycled tires are not subject to the fee. New tires sold with or separately for use on wheelchairs and other motorized equipment operated by persons that are physically disabled are not subject to the fee.

For additional information regarding the California Tire Fee, please see [publication 91](#), *California Tire Fee*.

## Electronic payment of taxes—one day late?

If your electronic tax or fee return payment or prepayment is late by only one business day, you may be eligible to have the interest associated with the late payment reduced. Interest is generally imposed as a “per month” charge when a tax or fee payment is late.

BOE-sponsored legislation amends the law and adds Revenue and Taxation Code section 6591.6.

Under certain circumstances, interest will be computed on a daily basis from the date on which the tax, fee or prepayment was due until the date of payment provided all of the following conditions are met:

- The payment of the tax, fee or prepayment was made electronically.
- The payment was made one business day after the due date.
- The taxpayer was granted relief from all penalties that applied to that electronic tax or fee payment or prepayment.
- The person files a request for an oral hearing before the BOE.

Taxpayers may use form [BOE-734](#), *Request to Compute Daily Interest for Electronic Payments—One Day Late*, to request the oral hearing. Taxpayers are not required to appear at the oral hearing and may request the Board to decide the matter based on their submitted BOE-734 form.

Note: BOE-734 requests will only be considered for late electronic payments made on a tax or fee return, or prepayment. This does not apply to payments made pursuant to deficiency determinations, determinations where no return has been filed, or jeopardy determinations.

## Civil behavior in trying times

We know you may become frustrated with the difficulties associated with the tax law or pressed for time when dealing with our staff. We understand how you are feeling and ask that you please remember to treat our employees just as you would like to be treated in a business situation. Any statement or gesture made to a BOE employee that seems like a threat—even a statement made in jest—will be referred to our Internal Affairs Section for investigation.

## Ethics at work—“thank you” is enough

We would like to remind you that BOE policy generally prevents our employees from accepting gifts of any type. So if you are grateful to someone for going the extra mile to help you with a complicated issue, a simple “thank you” will do. You can also use our online Customer Service Survey form at [www.boe.ca.gov/info/survey.htm](http://www.boe.ca.gov/info/survey.htm) to express yourself. We appreciate your feedback!

## More articles available online!

There are occasions when we have more articles than we have space for in this print version of the Tax Information Bulletin. The additional articles are available online at [www.boe.ca.gov/news/tib14.htm](http://www.boe.ca.gov/news/tib14.htm).

## For More Information

*All telephone numbers are toll-free.*

### Internet

[www.boe.ca.gov](http://www.boe.ca.gov)  
[www.taxes.ca.gov](http://www.taxes.ca.gov)

### Customer Service Center

1-800-400-7115 (TTY:711)

### Requests for Fax Copies

1-800-400-7115  
(Choose automated services)

### Seller's Permit Verification

1-888-225-5263  
[www.boe.ca.gov](http://www.boe.ca.gov)

### Taxpayers' Rights Advocate

1-888-324-2798  
[www.boe.ca.gov](http://www.boe.ca.gov)

### Tax Evasion Hotline

1-888-334-3300

### State Legislation

[www.leginfo.ca.gov/bilinfo.html](http://www.leginfo.ca.gov/bilinfo.html)

California State  
Board of Equalization  
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